



## GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture

OCTOBER 10, 2000

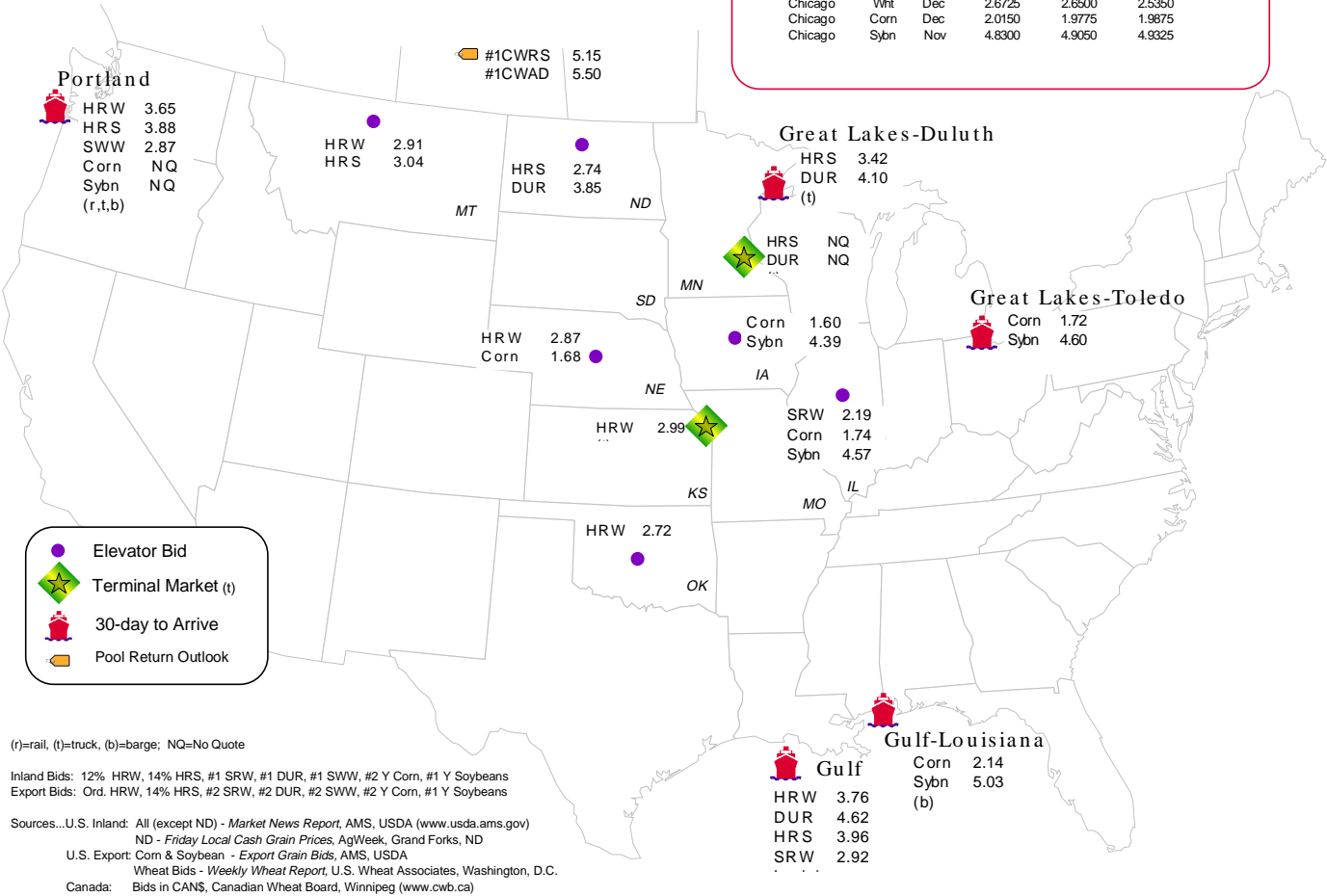
**Army Corps Delays River Study.** Last week, the U.S. Army Corps of Engineers decided to delay completion of its \$54 million draft feasibility study for 1 year. The study, which was expected to be released by September 30 and to recommend \$1 billion in improvements to locks and dams north of St. Louis, MO, was delayed, according to the Corps, because conclusions would have been based on 1993 river traffic estimates, which are considered to be outdated and too high. Ronald Fournier, a spokesman from the Corp's Rock Island, IL, district, emphasized the critical nature of this 1993 traffic data in regard to whether or not lock and dam improvements and new construction along the Mississippi and Illinois Rivers could be justified. "We can't ignore those numbers and do the study justice," according to Fournier. A more recent analysis by Corps consultant, Jack Faucett and Associates, Bethesda, MD, applying barge traffic figures through 1999, indicates a slowing of barge traffic demand in the late 1990's. While the decision to delay has been lauded by environmentalist groups, it is seen as extremely problematic for barge and agricultural groups. "There can be no delay in upgrading the aging and deteriorating U.S. river infrastructure," stated Paul Bertels, director of production and marketing for the National Corn Growers Association. "These delays cost U.S. farmers and businesses an average of \$94 million per year." Lock and dam structures along the upper Mississippi and Illinois Rivers were built in the 1930's with an expected life span of approximately 50 years. While they are still in use but beyond this life expectancy, many feel that it is crucial for these structures to be improved and expanded in order to meet transportation demand from the agricultural sector and maintain the Nation's worldwide competitiveness. A typical 600-foot lock, for example, is unable to fully accommodate most tows, which are nearly twice as long. However, with improvements and lock expansion to the desired length of 1,200 feet, barge traffic would increase in efficiency, saving both time and expense. According to Fournier, "With the new, lower forecast, the current alternatives for improvements could be scaled back. They also could remain the same, but we won't know until we run the models and incorporate the data into the study." The revised study completion date, incorporating the new data, is September 30, 2001. (*St. Louis Post-Dispatch* 10/4, *Des Moines Register* 10/2, <http://www.grainnet.com> 10/4, *Quad-City Times* 10/4, *USDA*)

**Energy, Water Bill Vetoed.** A \$23.6 billion energy and water bill was sent back to Congress recently along with a Presidential veto. The measure passed the House of Representatives, 301-118, and the Senate, 57-37. However, the Senate vote was just short of the two-thirds majority needed to override a veto. The matter was discussed in the September 12, 2000, *Grain Transportation Report*, and would have allowed the Army Corps of Engineers, under its 40-year-old operating manual, to maintain even water flows throughout the year on the Missouri River. In a statement, the President said, "In its current form, the manual simply does not provide an appropriate balance among the competing interests, both commercial and recreational, of the many people who seek to use this great American river." Among other provisions, the bill would have essentially kept the Administration from increasing spring water flows on the river once every 3 years, as well as reducing summer flows annually. It is important to environmentalist groups, who feel that this change would reestablish the river's natural seasonal flow and benefit wildlife, such as the endangered pallid sturgeon, and shorebirds, such as the endangered least tern and threatened piping plover. Barge interests, on the other hand, are concerned that the changing levels would create a situation of "split navigation." Instead of allowing for a constant water flow and continuous barge traffic, a spring water flow surge would decrease the water availability during the summer, essentially impeding barge traffic and causing a split in the period of navigation. Agricultural interests downriver are concerned that the spring surge may increase the risk of flooding and keep fields too wet to plant. With the bill back in Congress, it has the option to either remove the Missouri River provisions, making it more acceptable to the Administration, or attempt to have the energy and water development funding included in an end-of-session omnibus appropriations bill, which would be harder for the President to veto. (<http://www.joc.com> 10/10, *Reuters* 10/8, *AP* 10/5,8, *USDA*)

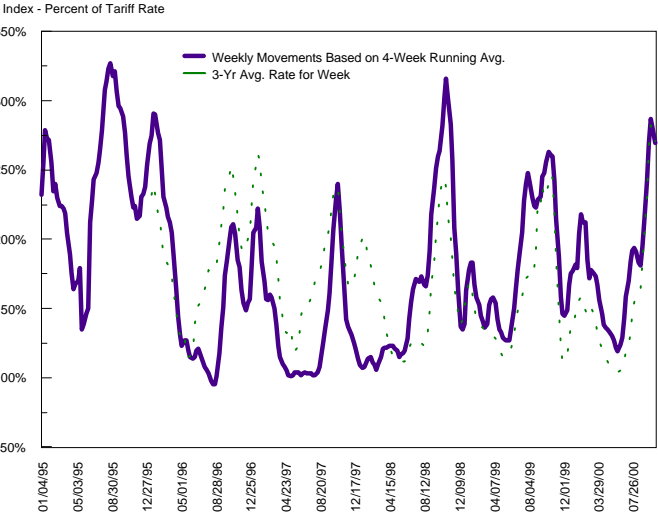
**China Trade Bill Signed.** Long, hard-fought negotiations between the United States and China resulted in President Clinton signing into law, this week, a bill that grants permanent normal trade relations to China. The decision to grant permanent trade status is a step toward allowing China admittance into the World Trade Organization (WTO). China, in turn, agrees to open its markets and reduce tariffs. During negotiations, U.S. opponents of permanent trade status, such as labor, conservative, and human rights groups, argued that the annual review of China's trade status allowed the United States the opportunity to pressure China on issues such as human rights and trade practices. The President assured those voicing concern that "we will continue to support from the outside those who struggle with China for human rights and religious freedoms." The Administration stated that China's admittance into the WTO, which is still being negotiated, may result in additional agricultural sales of \$2 billion annually by 2005. (*AP* 10/10, *Reuters* 10/10)

**TMD Saddened by Loss.** USDA's Transportation and Marketing Programs (TMP) mourns the passing of its dear friend and colleague, Bill Dunton. Bill helped to develop the *Grain Transportation Report*, preparing and providing it to the industry for roughly 12 years (1983-1995). Aside from Bill's friendly personality, his knowledge of the grain industry and transportation issues was widely recognized and proved to be a valuable asset to USDA over the years. Bill was well known for his particular expertise regarding trucking issues, which became his focus most recently and for which he represented USDA on many occasions. More importantly, Bill was a devoted husband and father who enjoyed the time he spent with his family, including his wife, Dianne, two children, and eight grandchildren. Our thoughts and prayers go to those who were the closest to him. He will be deeply missed, personally and professionally.

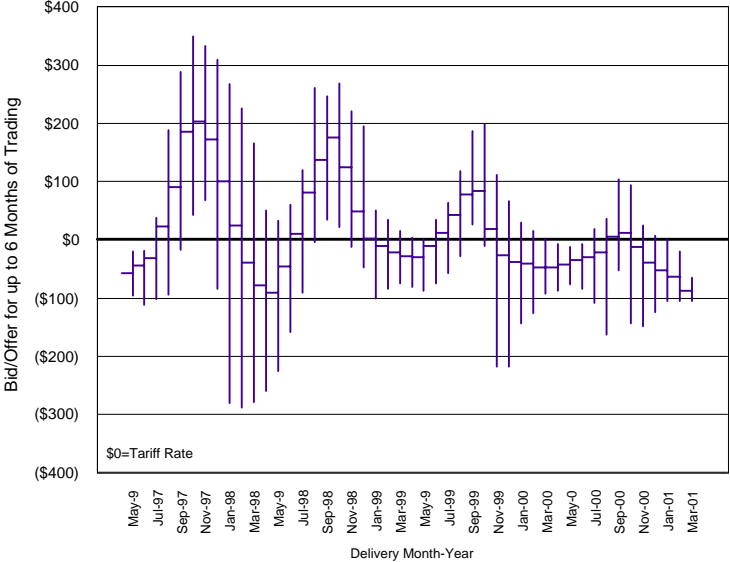
Grain Bid Summary



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



**Rail Car 'Auction' Offerings**

Delivery for:	Oct-00		Dec-00	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
<b>BNSF-COT</b>	13,804	55%	12,540	7%
<b>UP-GCAS</b>	5,400	13%	5,400	2%

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

**Secondary Rail Car Market**

Average Premium/Discount to Tariff, \$/Car - Last Week

	<b>Delivery Period</b>			
	Oct-00	Nov-00	Dec-00	Jan-01
BNSF-GF	\$94	\$(56)	\$(62)	\$(58)
UP-Pool	\$(144)	\$(148)	\$(124)	\$(105)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.; GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

**Railroad Car 'Auction' Results**

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Nov-00	Dec-00	Jan-01
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS/USDA. Data from [www.bnsf.com](http://www.bnsf.com), [www.uprr.com](http://www.uprr.com), (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

**Southbound Barge Freight Nominal Values**

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

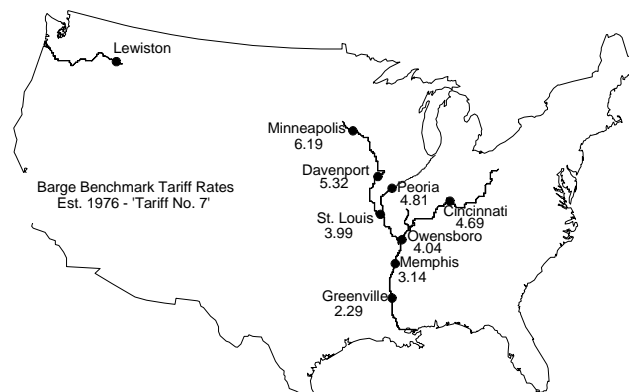
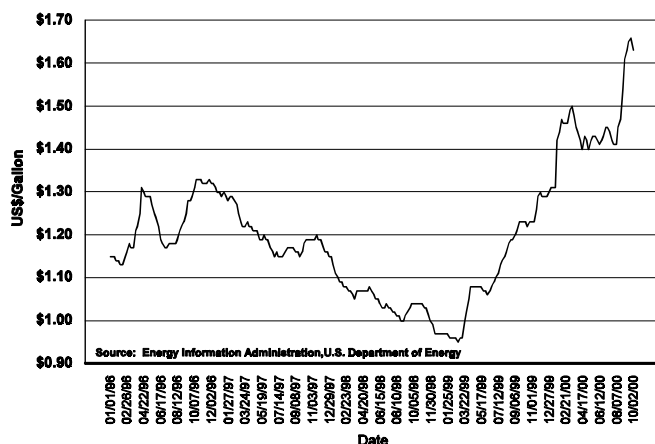
Week ended	River/Region	Contract Period	<b>Rate</b>	
			Bid	Offer
10/10/00	St. Louis	twk	170	180
		Nov.	155	165
		Dec.	145	150
	Illinois River	twk	190	200
		Nov.	180	185
		Dec.	175	180
	Mid Miss.	twk.	210	220
		Nov.	185	195
	Twin Cities	twk	225	235
		1 <sup>st</sup> half Nov.	220	235
	Lower Ohio	twk	215	225
		Nov.	160	170

Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

**Southbound Barge Freight Spot Rates**

	10/4/00	9/27/00	Nov. '00	Jan. '00
Twin Cities	250	300	239	0
Mid-Mississippi	230	305	187	0
Illinois River	227	307	182	200
St. Louis	224	303	162	149
Lower Ohio	229	317	168	152
Cairo-Memphis	219	294	154	141

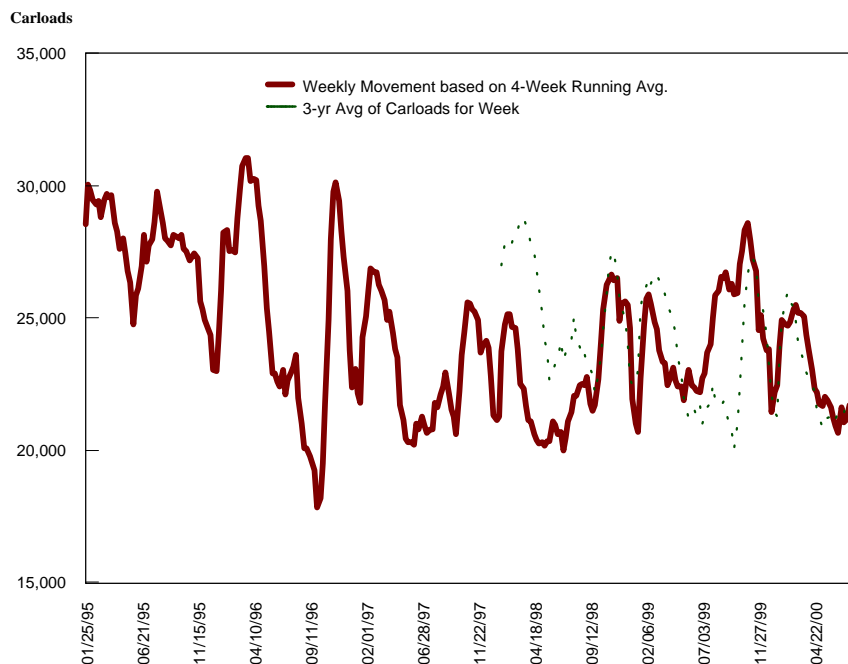
Source: Transportation & Marketing /AMS/USDA  
nq=no quote;

**Weekly Retail Diesel (Road) Prices (Including Taxes)**

## Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
9/16/00	23,930
09/23/00	26,490
09/30/00	25,137
Year to Date - 2000	908,637
Year to Date - 1999	943,969
Total 1999	1,269,741
Total 1998	1,186,117

Source: Association of American Railroads



## Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

Train Carloads Originated									
			<u>East</u>			<u>West</u>		<u>Canada</u>	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
09/30/00	0	2,903	1,857	2,467	9,839	595	7,476	2,712	4,847
This Week Last Year	0	2,688	2,261	2,108	10,708	431	8,693	2,419	4,753
2000 YTD	0	104,590	70,155	112,645	314,702	21,123	285,422	103,307	179,222
1999 YTD	15,522	93,762	66,268	101,526	341,477	26,147	300,267	84,488	151,842
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328
1998 Total	40,192	126,128	77,811	131,158	431,459	34,503	342,609	113,568	215,005

Source: Association of American Railroads

## Tariff Rail Rates for Unit Train Shipments

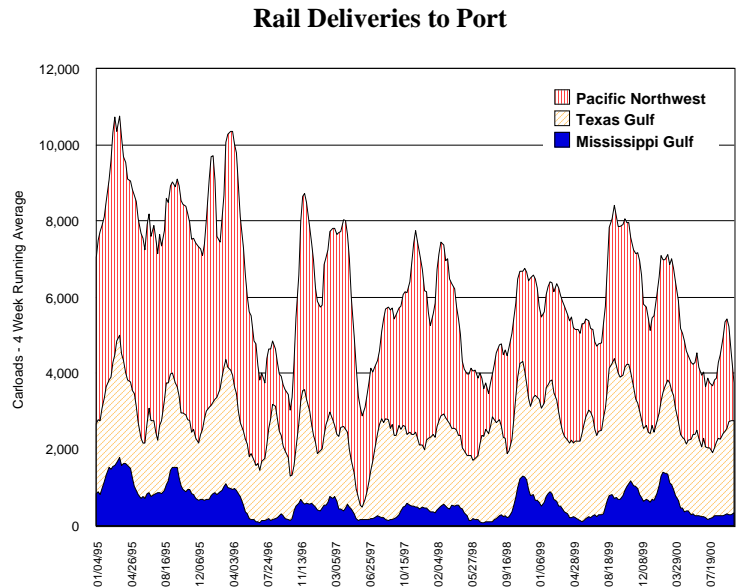
October 2000

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
10/09/00	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
10/09/00	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
10/09/00	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
10/09/00	43586	Wheat	Kansas City, MO	Portland, OR	\$4,240	\$46.74	\$1.27
10/09/00	43581	Wheat	Omaha, NE	Portland, OR	\$3,905	\$43.04	\$1.17
10/09/00	31040	Corn	Minneapolis, MN	Portland, OR	\$2,900	\$31.97	\$0.81
10/09/00	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
10/09/00	31040	Corn	Omaha, NE	Portland, OR	\$2,700	\$29.76	\$0.76
10/09/00	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,680	\$29.54	\$0.80
10/09/00	61180	Soybean	Omaha, NE	Portland, OR	\$2,430	\$26.79	\$0.73
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

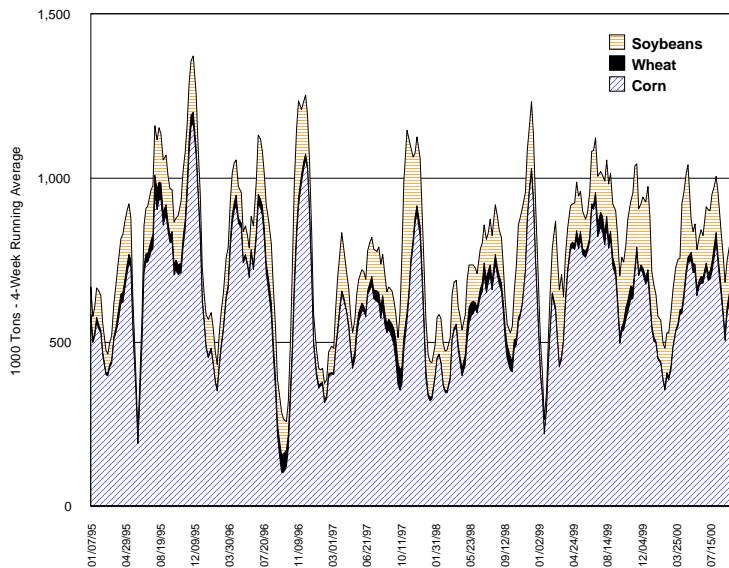
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat &amp; Soybeans 60 lbs/bu

<b>Rail Deliveries to Port</b>				
<b>Carloads</b>				
	<b>Mississippi Gulf</b>	<b>Texas Gulf</b>	<b>Pacific Northwest</b>	<b>Atlantic &amp; East Gulf</b>
Week Ending:				
08/30/00	299	2,467	2,979	163
09/06/00	262	2,374	3,292	328
09/13/00	257*	2,353	2,379*	201
09/20/00	319*	2,667	1,322*	219
09/27/00	349*	2,498	183*	251
10/04/00	493*	2,074*	182*	188
YTD 2000	21,312*	83,512*	96,163*	9,607
YTD 1999	19,259	104,808	119,524	11,250
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147
Source: Transportation & Marketing/AMS/USDA				



(\*) Incomplete Data

## Barge Movements - Locks 27



## Barge Grain Movements

for week ending 9/30/00

	<b>Corn</b>	<b>Wht</b>	<b>Sybn</b>	<b>Total</b>
<b>Mississippi River</b>				
Rock Island, IL (L15)	127	26	67	220
Winfield, MO (L25)	206	34	84	345
Alton, IL (L26)	437	34	103	595
Granite City, IL (L27)	444	34	100	599
<b>Illinois River (L8)</b>	137	0	6	143
<b>Ohio (L52)</b>	n/a	n/a	n/a	n/a
<b>Arkansas (L1)</b>	0	26	1	27
2000 YTD	25,092	1,949	6,892	35,235
1999 YTD	27,714	2,284	6,243	38,367
Total 1999	36,711	2,883	9,771	51,887
Total 1998	31,001	2,401	8,674	45,134

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.  
Source: U.S. Army Corp of Engineers; n/a=not available

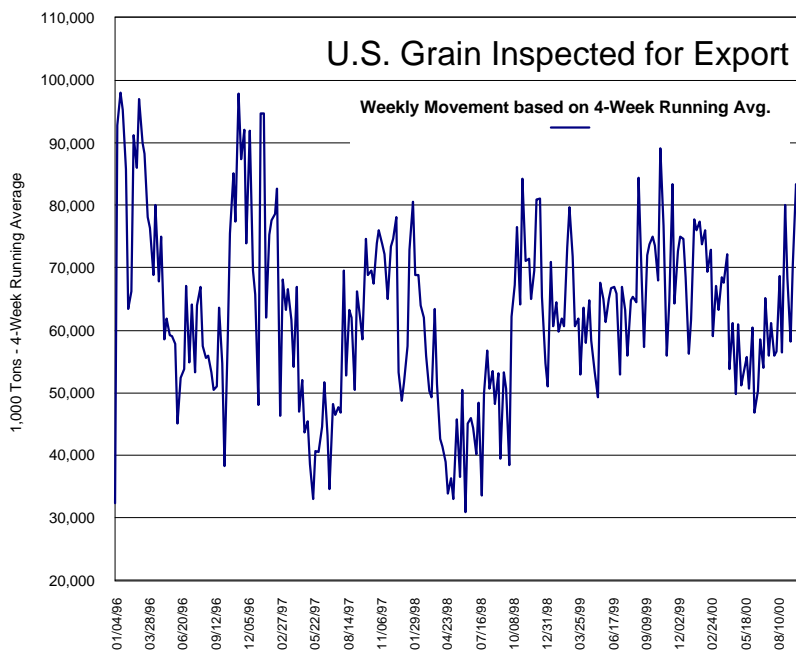
**U.S. Export Balances** (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
09/28/00	1,164	516	817	647	238	3,382	6,994	5,836	16,212
This Week Year Ago	1,168	604	743	1,052	198	3,764	8,037	5,275	17,076
<u>Cumulative Exports-Crop Year</u>									
99/00 YTD	3,511	1,867	1,911	1,566	433	9,288	4,394	1,411	15,093
98/99 YTD	4,685	1,243	1,828	1,017	319	9,091	4,398	17,713	31,202
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date ([www.fas.usda.gov](http://www.fas.usda.gov)) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
10/05/00	173	127	9	102	820	353	213	40	6
2000 YTD	7,368	4,944	810	5,198	27,632	12,380	5,528	337	915
1999 YTD *	7,431	6,792	572	5,237	27,321	10,042	6,671	518	972
% of Last Year	68%	113%	125%	103%	88%	83%	76%	60%	66%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service \* YTD-Year-to-Date (\*98 = 53 week period)

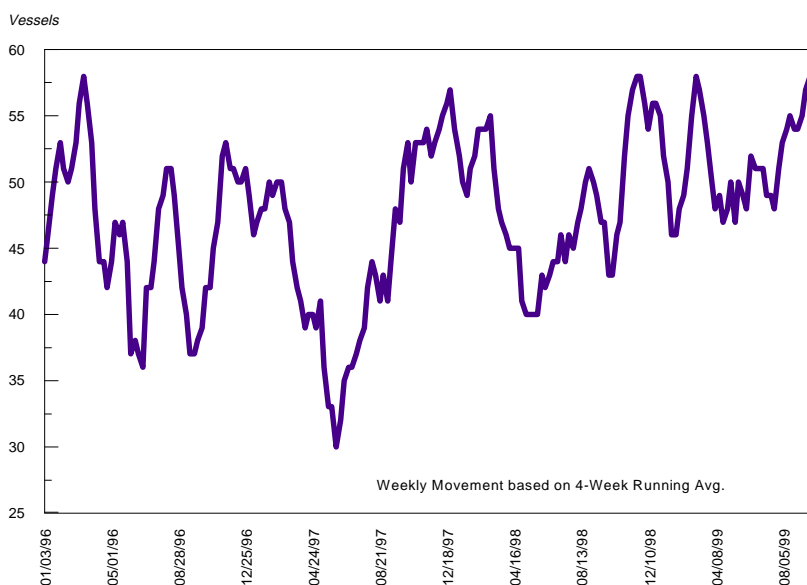
**Select Canadian Ports - Export Inspections**

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 9/22/00			
Vancouver	1,405	108	117
Prince Rupert	28	0	0
Prairie Direct	154	37	29
Thunder Bay	272	93	2
St. Lawrence	597	355	0
2000 YTD Exports	2,456	593	149
1999 YTD Exports	1,883	771	128
% of Last Year	130%	77%	116%

Source: Canadian Grains Commission

YTD-Year-to-Date Crop Year 8/1-7/31



**Gulf Region  
Vessels Loaded  
- Past 7 Days-**

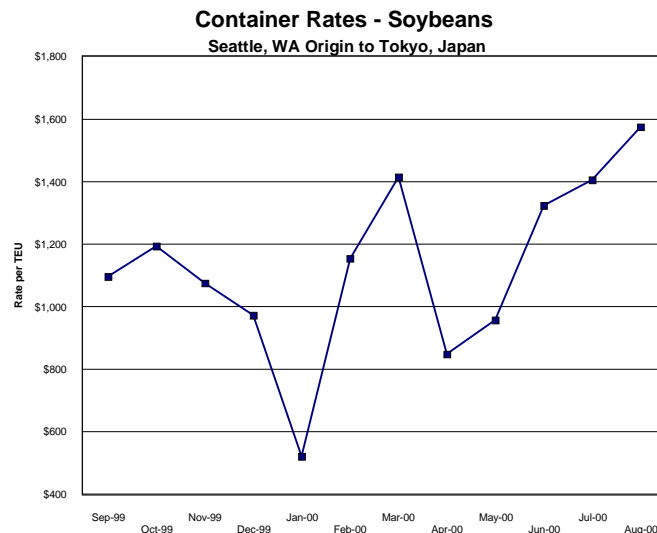
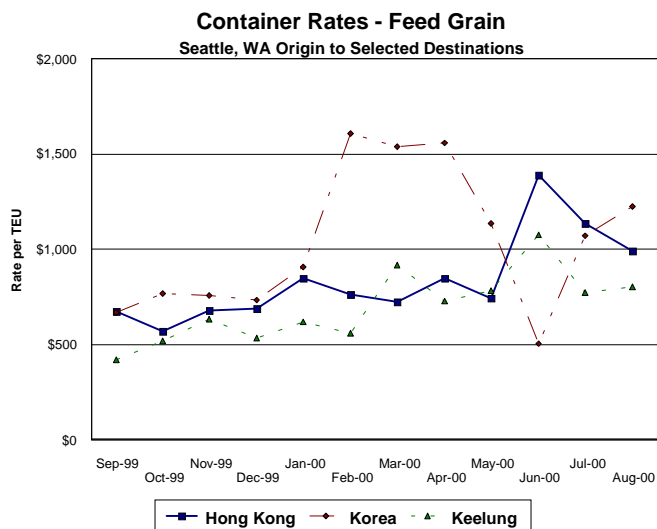
### Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
09/28/00	41	55	67	8			6	10	6
10/05/00	40	52	65	8			8	11	4
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

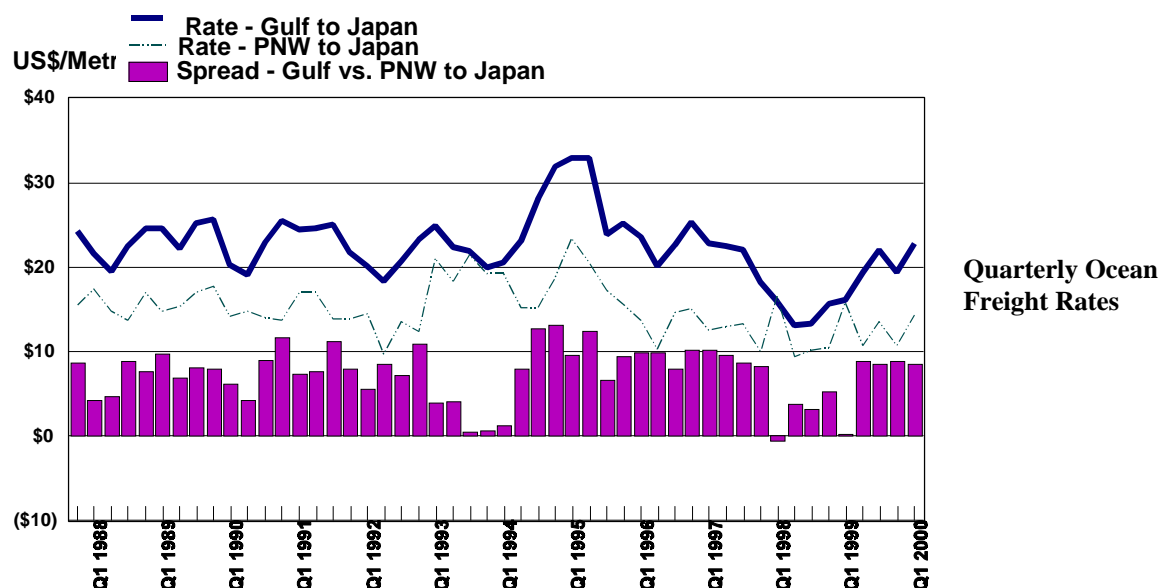
### Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



Source: Transportation & Marketing/AMS/USDA





### Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2000 2 <sup>nd</sup> Qtr	1999 2 <sup>nd</sup> Qtr	% Change		2000 2 <sup>nd</sup> Qtr	1999 2 <sup>nd</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
Japan	\$22.84	\$16.08	42%	Japan	\$14.37	\$15.83	-9%
Mexico	\$16.58	\$22.45	-26%	Red Sea/ Arabian Sea	\$33.46	\$45.80	-27%
Venezuela	\$11.34	\$13.91	-18%				
N. Europe	\$15.50	\$12.28	26%	<b>Argentina to</b>			
N. Africa	\$20.91	\$17.80	17%	N. Europe	\$18.96	\$23.92	-21%
				Japan	\$26.57	\$20.82	28%

Source: Transportation & Marketing/AMS/USDA; (\*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

### Ocean Freight Rates (Select Locations) - week ending 10/7/00

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Colombia/Venezuela	Grains	Oct.2/7	21,000	\$16.75
Gulf	Peru	Wheat	Oct.20/Nov5	33,000	\$61.75
Gulf	Estonia	Corn	Oct.12/22	58,275	\$41.68
Gulf	Egypt (Med.)	Heavy Grain	Oct.20/25	50,000	\$16.50
Gulf	Egypt	Heavy Grain	Oct.6/15	60,000	\$16.25
Gulf	Philippines	Grains	Oct.10/20	46,500	\$27.50
Gulf	Japan	Heavy Grain	Nov. 7/20	42,000	\$26.00
Gulf	Japan	Heavy Grain	Oct.20/30	54,000	\$25.25
Gulf	China	Heavy Grain	Oct.12/20	50,000	\$25.25
N. France	Cuba	Wheat	Oct. 9/13	25,000	\$22.00

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated; op=option